



# BRICK UNDERGROUND

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## **Insider tips for selling or renting out your NYC apartment during the winter slow season**



*The market does slow down during the holidays, but it never really stops in NYC. Andrei Taranchenko/Flickr*

Times may be getting a little tougher than usual for many New York City sellers. The median sales price for condos in Manhattan remains a lofty \$1.7 million, but the latest Douglas Elliman market reports reveal a slowdown in the increase of those condo prices, with the year-over-year appreciation in value on the decline.

On the rental side, too, there are indicators that the market is softening, with the median net effective rent dropping in Manhattan, Brooklyn, and Queens, and the vacancy rate in Manhattan increasing slightly.

These trends are likely to continue given that we're heading into the holiday season, traditionally the slowest time of year for sales and rentals. And even in the fastest-paced markets, owners need to take some extra steps to make sure their apartments get sold or rented when winter rolls around.

***[Notes: This story was first published in December 2012, and was updated with new reporting in 2017.]***

The truth is, though, nothing in New York ever slows to a complete stop.

"There are always buyers looking. I've done deals that have happened during the week between Christmas and New Years while I was away on vacation," says Mark Ski of Town Residential.

We caught up with him, and other experts in the industry, for their tips on how those selling or renting out their apartments can make the most of the coming months.

## **Selling**

You may have a bit of an edge if you're selling a Brooklyn or Queens apartment. Market reports show that median sales prices are up in Brooklyn, and inventory is down; in northwest Queens, sales prices have risen while days on the market have declined. Your situation seems especially promising if you're in eastern Queens where, as Brick recently reported, there are four out of five NYC neighborhoods with the largest price increases since this time last year.

That said, sales are already slowing in Manhattan, with days on the market increasing, and it's likely that activity in all five boroughs will cool in the coming months. That combined with the seasonal downturn could make selling a bit tougher, but it's not hopeless.

In fact, some brokers encourage their clients to ramp up their search around the holidays.

"A lot of people say things slow down in the winter, but my philosophy is that this is the time to go," says Gina Castrorao, an agent with Triplemint (a Brick partner). "There aren't a thousand people looking, so there's more time to make decisions and think about your options."

Here are a few suggestions to stir up some action and entice those enterprising buyers:

**1. Get an agent who won't slow down in the slow season:** "This is the time to go, because everyone else is getting lax," Castrorao says. "Find an agent with advertising power who's going to push your property out and be up on their game."

To find the right broker match, look for someone from a reputable firm who has a proven track record—and, of course, a temperament that suits your own. (Learn more in our guide to vetting brokers.)

**2. Update your listing:** If your apartment has been on the market for a while, give your listing a makeover. You don't want the buyer to think they've seen this before, says Mindy Feldman of Halstead.

Spruce up the copy, freshen up the photos. If you have a view of the park, make sure it's a winter view, not a leafy green middle-of-July shot. Put some holiday bling into the thumbnails. Sparkling and twinkling gets attention—but don't go overboard, as too much holiday kitsch can turn off buyers.

**3. Be flexible about viewing times.** Sticking to rigid open house dates is a mistake. You have to be able to accommodate a buyer's (or even a renter's) schedule. Weekend open houses make much less sense during the period around Christmas. Give buyers a chance to see the apartment early in the morning or in the evening, and be sure that your broker understands just how important this ease of access is.

**4. Plan a special event.** Gary Malin of Citi Habitats suggests that since “the holidays are a perfect time for a party, invite your neighbors over for drinks and make sure that they know that your apartment is on the market. Word of mouth is a powerful tool, so let your friends and neighbors be your advocates.”

Halstead's Feldman has her own ideas for a party, this one for brokers and their buyers. First, schedule it so that it's easy for them to pop in and out of quickly. Include prizes linked to the holiday, the neighborhood, and what the guests are interested in. “We've given gift certificates for a staging by an expert and a brunch at Cafe Boulud when the apartment was on the Upper East Side,” she says.

**5. Reconsider the price.** “If your apartment has been listed for 45 days with little activity, it means that the current asking price isn't in line with current market conditions,” Malin says. “Prices are determined simply by what people are willing to pay, so it's critical to be priced right. In fact, if you under-price slightly, it creates a sense of value and can result in multiple above-ask offers.”

“In any market, whether it's slow or not, a property will sell if it's priced properly,” Town's Ski says.

**6. Know the competition.** Take a look at their listings—specifically when it comes other apartments in your building that are for sale and apartments like yours in other buildings. Doug Perlson of Real Direct suggests coming in “just below the natural search break. If the competition is selling at \$615,000 and the listing break [on a website] is \$600,000, you may want to come in just below it.”

**7. Consider increasing the commission percentage to brokers:** Ski says he sold two apartments above asking price—one in Astoria and one in East Harlem—where the seller agreed to give an eight percent commission (rather than the standard six percent), splitting it 50-50 with the buyers' brokers and the listing agent.

“The open houses were packed beyond belief,” he says. The extra commission gives buyers' brokers, in particular, a stronger incentive to bring in their clients.

Recently, he served as the listing agent for a Chelsea apartment that was on the market for one week and had an accepted offer by the end of the first open house. It also had an 8 percent broker commission attached to it.

**8. Freshen it up.** It should go without saying that you want your apartment to look immaculate, warm, and welcoming.

"While fresh flowers and bread baking in the oven may make a wonderful first impression, buyers are too savvy to be fooled. It's the well-organized kitchen counters, sparkling floors and woodwork, and spanking clean bathroom that really count," says Sharon McIntosh, President of The McIntosh Company. "There is no doubt that a clean, fresh-looking apartment sells faster and at a higher price than one that looks tired and beaten up. We're talking thousands of dollars difference."

She suggests that you rent a storage bin for your clutter, organize your clothes in the closets so that the space looks bigger, paint the walls, and wax the floors, or have them redone. Wash the windows, use high-wattage light bulbs, give up fish and cigars for the duration and "when the broker is due to arrive with the client, leave! And take your children and the dogs with you."

## **Renting**

"I'm finding the market is pretty segmented right now," says Ben Jacobs, an agent with CORE. "Some neighborhoods are busier than others."

The rental market is more sluggish in neighborhoods like Chelsea and Tribeca, Jacobs says, due to a boom in new development rentals and condos leading to oversupply. The Upper East Side, by contrast, has remained busy, thanks in part to the new Second Avenue subway line and its relative affordability when compared to downtown neighborhoods.

Overall, though, many landlords will need to go the extra mile this time of year.

"I'm seeing places stay on the market longer for rent and for sale, fewer contracts signed, and not as many deals," Jacobs says.

If you're trying to rent out your place in the next month or two, you may want to:

### **1. Appeal to renters who don't meet standard job and income**

**requirements.** Landlords small and large can broaden the pool of acceptable renters at no extra cost—or risk—by permitting renters to use an institutional guarantor like Insurent Lease Guaranty (FYI, a Brick Underground sponsor). This means you can consider foreign employed people without U.S. credit history, international and U.S. students, self-employed people, non-employed people with cash liquid assets, freelancers, and others who may make responsible tenants but don't have the income, job, or backup you would like to see (credit history, the cash to pay a year's worth of rent upfront, and/or rich nearby relatives willing to guarantee their lease).

As the landlord, you pay nothing for the Insurent guaranty. Renters apply directly to Insurent and pay around 85 percent of one month's rent if US citizens, and 110 percent of a month's rent if foreign, to guarantee their lease.

Bonus: Besides increasing competition for your apartment, you don't have to lose sleep over the potential nightmare of a defaulting tenant.

**2. Compromise on the move-in date.** "I think for rentals, the big challenge is when the lease date will start," Jacobs says. Naturally, landlords want to fill empty apartments as soon as possible, but tenants are unlikely to want to move at the peak of the holiday season, which means some flexibility may be needed.

He cites a recent deal in which the landlord and tenant reached a compromise: The landlord wanted a move-in date of December 1st, while the tenant wanted to wait until January, so they settled on a reduction in rent for the tenant and a lease starting December 15.

"I think compromising for both sides and cooperating for both sides is essential in getting a deal done this hectic time of year," Jacobs says.

**3. Offer concessions.** You may want to consider sweeteners like paying the cable bill or gym fees, covering the broker fee and any application fees to your co-op or condo, and maybe even throwing in a free month's rent. It can incentivize people to get moving when things are slow.

Jacobs had a client who was one of the first to move into a new Williamsburg development, and the owner sweetened the deal in a number of ways.

"They gave him two months of free rent, free access to amenities for the term of his lease, and an amazing welcome package," Jacobs says. "They really stepped it up. It's smart because it builds loyalty and makes people want to stay."